



[4310-T2]

DEPARTMENT OF THE INTERIOR

Office of Natural Resources Revenue

30 CFR Chapter XII

[Docket No. ONRR-2011-0007]

Establishment of the Indian Oil Valuation Negotiated Rulemaking Committee

AGENCY: Office of Natural Resources Revenue, Interior.

ACTION: Notice.

SUMMARY: On January 31, 2011, the Department published a notice of intent to establish an Indian Oil Valuation Negotiated Rulemaking Committee. In that notice, we requested interested parties to nominate representatives for membership on the Committee and addressed many of the requirements of Section 564 of the Negotiated Rulemaking Act. On August 22, 2011, the Department published a second notice of intent to establish an Indian Oil Valuation Negotiated Rulemaking Committee to address the remaining requirements of Section 564 of the Negotiated Rulemaking Act and to inquire if all interests were represented by the proposed members. This notice establishes the Committee.

FOR FURTHER INFORMATION CONTACT: Mr. Karl Wunderlich, Office of Natural Resources Revenue (ONRR), Telephone: (303) 231-3663; Fax: (303) 231-3194, or E-mail: karl.wunderlich@onrr.gov.

SUPPLEMENTARY INFORMATION: In response to our second notice, we received three responses recommending three additional members to the Committee. In response, we have

added the following three recommended members to the Committee: Patrick Flynn, employee of Resolute Energy Corporation, representative of Industry; Grinnell Day Chief, representative of the Blackfeet Nation; Alan Taradash, representative of the Jicarilla Apache Nation.

One additional comment was received in response to the second notice of intent offering broad objections to the composition of the Committee. In particular, the commenter felt the Committee did not represent all significant interests, did not represent global energy producer interests, included members from the oil industry with conflicts of interest, and should not have had inclusion from the Bureau of Indian Affairs (BIA).

While ONRR appreciates and encourages interest in the Indian Oil Valuation Negotiated Rulemaking Committee, at this time we find it unnecessary to reconstitute or make significant changes to the committee. On January 31, 2011, ONRR solicited nominees for membership to the Committee. On August 22, 2011, ONRR solicited additional nominees. This provided the commenter two opportunities to nominate a member that would represent the significant interests he felt were omitted. ONRR believes it has adequately met the intent of the Federal Advisory Committee Act (FACA) in soliciting membership and finding members with an appropriate balance of viewpoints. ONRR also notes that the Committee is being formed to address valuation of oil production from domestic Indian oil leases. Global energy interests are most likely unconcerned with the subject of this Committee and no nominations were offered to represent these interests. Likewise, the proposed representatives from industry were nominated by their constituents and have an undeniable stake in the rulemaking process. Any perceived conflict of interest on the part of industry's nominations was not adequately described by the

commenter. While the commenter noted that the oil industry members have conflicts of interest, this is expected of “representative” members of a FACA committee. These members serve as representatives of outside entities or groups and their exclusive function is to represent the points of view of a particular industry or group (e.g. labor, agriculture, energy, environmental, tribal, or some other recognizable group of persons). In representing the interests of a specifically identifiable interest group, the opinions, information, and advice these members offer will reflect the biases of the particular group that the member represents on the Committee. ONRR firmly believes that the interests significantly affected by the rulemaking are represented by the members.

Finally, the Committee was formed within the terms of the FACA which provides for government oversight over FACA committees. In the case of this Committee, ONRR believes that BIA belongs on the Committee, because BIA issues leases and is the office of record maintaining surface and mineral ownership records on Indian Trust lands.

The Committee will meet at least quarterly with the first meeting planned for February 2012.

CERTIFICATION STATEMENT: I hereby certify that the Indian Oil Valuation Negotiated Rulemaking Committee is necessary, is in the public interest, and is established under the authority of the Secretary of the Interior.

____ December 01, 2011 _____
Ken Salazar
Secretary of the Interior

Date

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